

*F*OCUSED
*A*LLOWANCE
*M*AINTENANCE
*S*TRATEGY



ALLOWANCES

THE CHANGING ENVIRONMENT

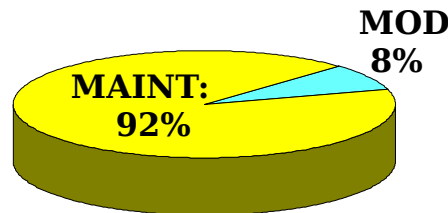
PR 99

2 Types of Allowances -- 2 Methods of Getting

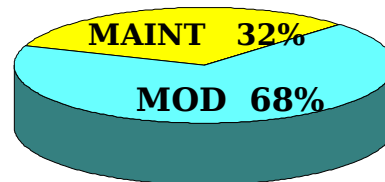
to Fleet
↓

Modernization
Maintenance →

Bi-weekly ~~ASI~~
COSAL st
ROI



COSAL



Bi weekly
ASI

TARGET: ALLOWANCE MAINTENANCE - Revised allowances for existing equipment

installations ... CHURN
with little ROI!

Expense of a “revised bag of spare parts”

ALLOWANCES

THE CHANGING ENVIRONMENT

CDP/ACP

- Initial Solution ... “Bounding”
 - Fix ships with greatest need vs. traditional “ship availability schedules and periodicity”
 - promulgate modernization allowances via ASI
- Tools and Methods
 - COSAL Scheduling Metrics (CSM)
 - Allowance Control Panel (ACP - WEB based)
 - TYCOMs are decision makers

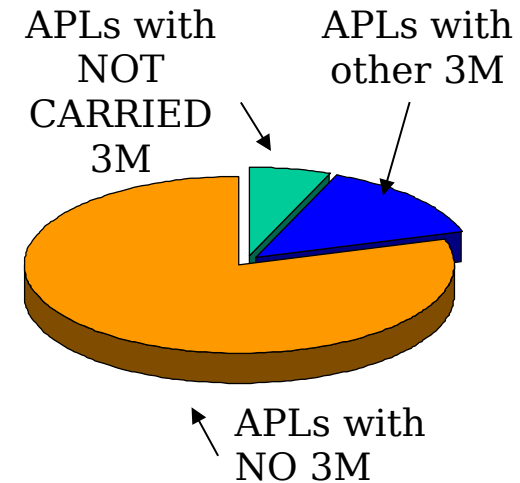
**Apportions scarce resources to modernization first
selected re-optimizations last** ...
3

ALLOWANCES

Maximizing ROI ... CILS TAT

Key Attributes

- Limits New Allowances to APLs That Have Had 3M “Not Carried” Item Usage (Problem Equipment)
- Deletes/decreases for Those APLs With No Reported 3M Usage
- Static Allowances for Remainder



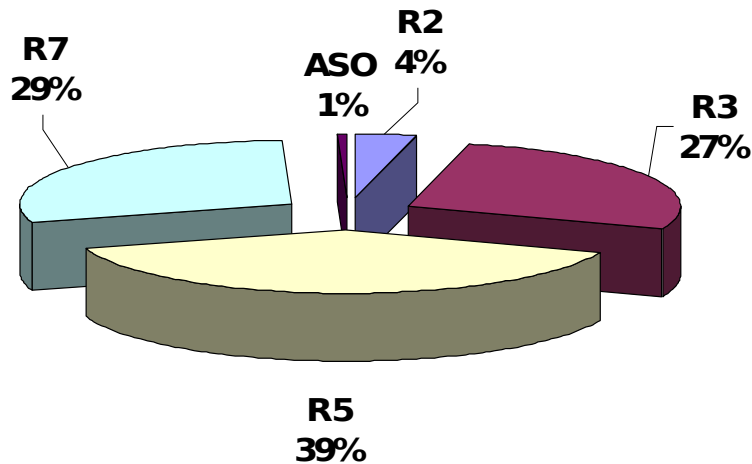
Based on 24/36 Mos of 3M data

- Viable Alternative to Re-COSAL ... NAVSEA MSG R100433Z Jun 98
 - Slightly Better Effectiveness @ Half the Cost & Reduces Churn
 - “**FIX**” As Many Ships As Possible
- Performance to Date:
 - TAT distributed to 63 units since January 1999

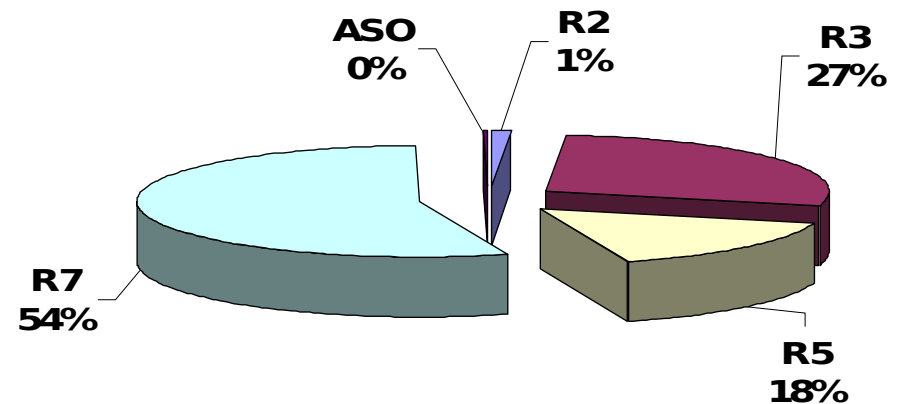
ALLOWANCES

The next step ... minimize ASI Churn

CAUSATIVE FACTORS



**FY98
DRIVERS**



(Based on dollar value)

**FY99
DRIVERS**

Maintenance R-Trigger Definitions

R2 - RIC Supersession

R3 - New/Revised APL

R5 - Logistics Support Request

R7 - Pen & Ink Changes

Note: 26% of R3 Triggers were revisions vs new

ALLOWANCES

Effect of ASI 'Churn' on Reading

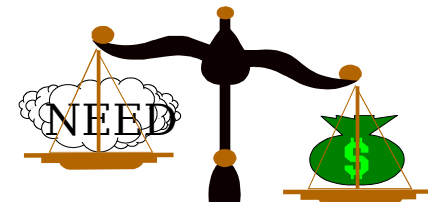
Reasons to Change

- * MEASURED OBSERVED DEMAND ON ADDS (NIIN SPECIFIC) WITH 15-SHIP SAMPLE...MULTI-TYPE AND CLASS DETERMINED ALLOWANCE EFFECTIVENESS AVERAGE DELTAs RESULTING FROM ADDS:

	ALLOWANCE EFFECTIVENESS	Annual\$\$
(M)* ORIGINAL EFFECTIVENESS	72.4%	
MINUS R3 ADDS 3.5	72.4%	\$
MINUS R5 ADDS 5.1	72.3%	\$
MINUS R7 ADDS 3.8	72.2%	\$

□ ...MINIMAL PAYBACK
MINUS ALL MAINTENANCE
\$12.8

72.2%



* 40% damping factor applied

Very Low Risk -- Little Effectiveness Impact

ALLOWANCES

GOAL: Eliminate Random Churn generation ...
demonstrated low ROI

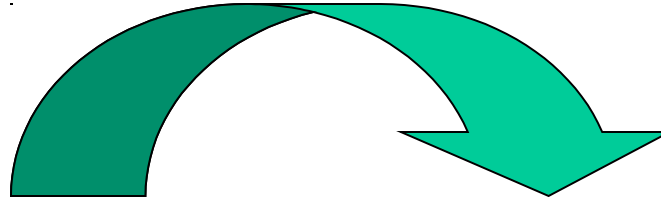
APPROACH

- **Allowance Churn Reduction Initiative (ACRI)**

- NAVSEA Msg 011128Z Nov 99
- Stop allowance generation for Revised APLs, Pen & Inks, and Logistics Support Requests
- Continue to generate maintenance and technical data

FAMS

ACRI



Approach: Cost of
ASI

Churn
ASI Churn:

0.2% Allowance Effectiveness
gain on all Ships

Re-direct resources

FOCUSSED ALLOWANCES:

CILS-TAT

ACIP

Problem Equipments

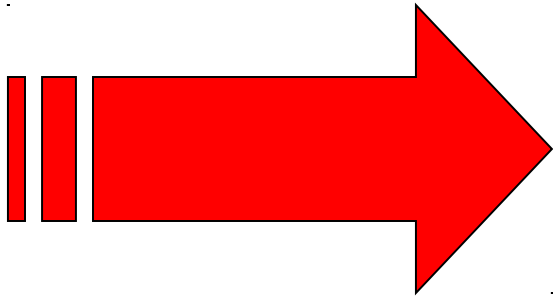
**Focus Resources on Specific Problem
Ships - Systems - Parts**

INVESTMENT STRATEGY FOR TOMORROW'S READINESS

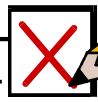
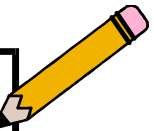

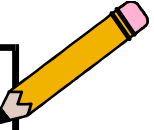

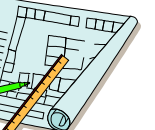
Today

• Random
Churn

• Small
ROI



Tomorrow

- CSM / CILS-TAT 
- Problem Equipment
- Problem Ships
- ACIP 
- Specific Parts
- Specific Ships
- Trouble Equipment 
- Specific Equipment
- Fleetwide

Disciplined Quantitative Approach with Readiness Payb

FAMS ... Trouble Equipments

Possible Approach

- Evaluate two years worth of Supply Issue and Maintenance records for ship class/ship group where:
 - Deferral Reason Code = 2 (deferred due to lack of parts), AND
 - Source code = G or J (parts are “not carried”) & Fund Code = *R, *6, *B, *3 (funded by ship)
- Stratify data by Maintenance APL

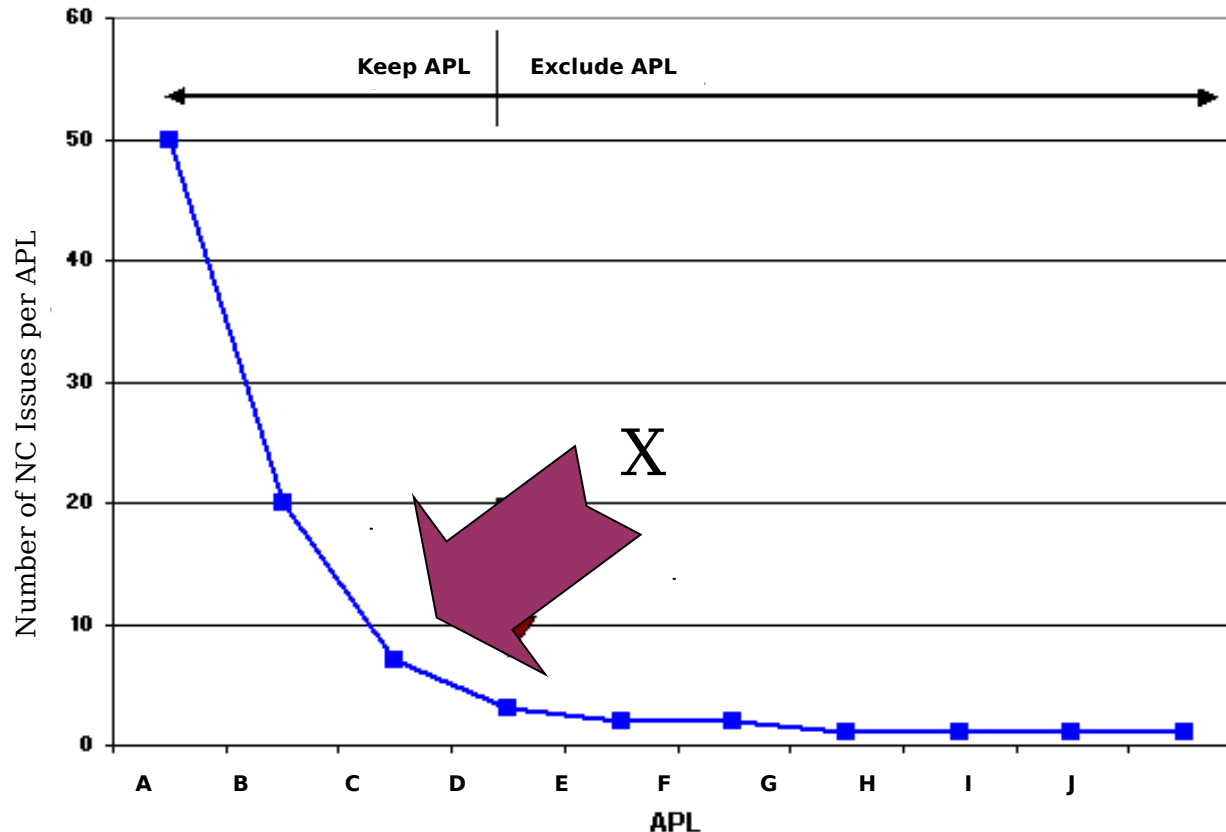
Classes:

- CG 47
- DD 963
- DDG 51
- FFG 7
- SSN 688

Groups:

- 'A' ships
- CV/CVNs
- 'M' ships

Approach for Identification of Top Problem APLs



1. Determine the value of X
(the point at which the curve starts to “flatline”)
2. Target only those APLs whose number of issues > value of X

Next steps

1. Refine raw data:

- Populations Counts
 - From CDMD-OA for fleet and ship class/ship group
 - Normalize data
- Identification of APL to System
 - Pull EIC, EFD, ESD information from CDMD-OA for ship class/ship group to targeted APLs
- CASREP Data
 - Count by Severity for APL and EIC

2. Provide data to TYCOMs

- Select equipments to re-allowance